

Message Text

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PAGE 01 SEOUL 07718 310404Z
ACTION XMB-04

INFO OCT-01 EA-10 ISO-00 EB-08 COME-00 TRSE-00 OMB-01
DOTE-00 DODE-00 CIAE-00 INR-10 NSAE-00 /034 W
-----037068 310409Z /17
P 310356Z AUG 78
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC PRIORITY 3195

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DEPT PASS USEXIMBANK

E.O. 11652: N/A
TAGS: OVIP, EFIN, KS
SUBJ: KOREA SHIPBUILDING AND ENGINEERING CO (KSEC) OKPO SHIPYARD
28 MILLION CRED NO 466 & 28.8 MILLION GUARANTEE NOS
4667/4668

REF: A) STATE 210811, B) SEOUL 7423

1. AUGUST 30 PRESS, ATTRIBUTING DEPUTY PRIMIN NAM DUCK WOO AS SOURCE, REPORTS THAT DAEWOO WILL TAKE OVER KSEC'S OKPO SHIPYARD, WHILE KSEC'S OTHER ACTIVITIES WILL CONTINUE AS AT PRESENT.
2. ACCORDING TO EPB BUREAU-LEVEL ACTION OFFICER, HYUNDAI HEAVY INDUSTRIES JOINED SAMSUNG IN DECLINING TO TAKE OVER OKPO BEFORE DAEWOO AGREED TO DO SO. AGREEMENT WAS GIVEN IN PRINCIPLE AND TERMS AND DETAILS ARE BEING NEGOTIATED AT HIGH LEVELS BY CONCERNED AGENCIES (PRESUMABLY, EPB, BLUE HOUSE AND MCI) WITH DAEWOO MANAGEMENT.
3. EPB OFFICIAL, WHO IS MINDFUL OF USEXIMBANK'S INTERESTS, WILL NOTIFY EMBASSY OF TERMS AND DETAILS OF TAKEOVER AGREEMENT WHEN THEY ARE WORKED OUT AND EMBASSY WILL PROCEED TO TAKE

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ACTION REQUESTED REFTEL (A). QUESTIONS WE ANTICIPATE ARE WHETHER CREDIT AND GUARANTEE CAN BE HANDLED AS A TRANSFER FROM KSEC TO DAEWOO, OR WHETHER KSEC MUST SETTLE FIRST AFTER WHICH DAEWOO WOULD HAVE TO INITIATE ITS OWN APPLICATION SHOULD IT WISH TO CONTINUE KSEC'S COMMITMENT. PLEASE ADVISE.

4. WE BELIEVE OKPO PROJECT TO BE ONE OF GREAT VISION WHICH

WILL PAY OFF QUICKLY WHEN DEMAND FOR INDUSTRIAL ISLANDS AND
FOR NEW TECHNOLOGY VLCC'S DEVELOPS. OPEN QUESTION IS WHETHER
SHIPPING DEMAND WILL REAPPEAR THREE, FIVE OR TEN YEARS FROM
NOW.
GLEYSTEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ENGINEERING, SHIPYARDS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 31 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SEOUL07718
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780355-0285
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978083/aaaaaceg.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f41aa45c-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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NOS 4667/4668
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